



Indiana Department of Education
SUPPORTING STUDENT SUCCESS

February 21, 2008

Dr. Terry Thompson, Superintendent
M.S.D. Wayne Township #5375
1220 S. High School Road
Indianapolis, IN 46241

Dear Dr. Thompson:

On January 9, 2008, the Indiana Department of Education's (IDOE) monitoring team commenced an on-site monitoring review of the M.S.D. Wayne Township's administration of Title I, Part A of the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the *No Child Left Behind Act* (NCLB). Enclosed is a report based upon this review.

Prior to, during, and following the on-site monitoring review, the IDOE team conducted a number of activities (described in the attached report) to verify compliance with 1) the programmatic requirements of Title I, Part A; and 2) the fiscal requirements that must be followed by recipients of Title I, Part A educational funds.

The enclosed report summarizes the results of our on-site monitoring review. **Within 30 business days of the date of this letter**, please submit a response, and where appropriate, further documentation. IDOE will review the documentation and determine if it is sufficient to remove or remedy identified compliance problems.

In all cases where there are findings of non-compliance, **M.S.D. Wayne Township is responsible for taking appropriate action to remedy compliance deficiencies**. In some instances this can occur immediately and in some instances a longer term solution may be necessary. Where longer term measures are necessary, M.S.D. Wayne Township must submit a specific detailed action plan with timelines and benchmarks for corrective action. IDOE will be happy to provide technical assistance as appropriate.

The IDOE team would like to thank Carole Erlandson, Linda Bohanon, and other staff for their work and assistance provided prior to and during the review in gathering materials and providing access to information in a timely manner.

We look forward to continued cooperation in working with you and your staff members on any follow-up activities and in assisting **M.S.D. Wayne Township** to improve the delivery of Title I services.

Sincerely,

Lee Ann Kwiatkowski, Director
Division of Title I

cc: Carole Erlandson, Title I Program Administrator
M.S.D. Wayne Township

Linda Miller, Assistant Superintendent of Community Relations
and Special Populations, IDOE

**Indiana Department of Education
Title I, Part A Monitoring**

District: M.S.D. Wayne Township

Monitoring Date: January 9, 2008

Monitoring Team: Lee Ann Kwiatkowski, Hazel Beasley, Lenee Reedus, Linda Ricketts, Laura Cope, William Luther, and Teresa Neely

Background Information

The Indiana Department of Education (IDOE) commenced on-site monitoring of M.S.D. Wayne Township on January 9, 2008. The purpose of this monitoring visit was to identify areas of strength, areas that need improvement, and areas of non-compliance with Title I, Part A and federal grants management (fiscal) requirements.

IDOE specifically monitored in the following areas:

Monitoring Topic	Statutory Citation
1) Compliance with professional qualification requirements for teachers and paraprofessionals	NCLB §1111(h)(6)(A) NCLB §1119(c)(1) NCLB §9101(23)
2) Compliance with parental involvement requirements	NCLB §1118(a)-(h) NCLB §1111(c)(14) NCLB §1111(d) NCLB §1116(a)(1)(D) NCLB §9101(32)
3) Compliance with school improvement requirements	NCLB §1116(b) NCLB §1116(c) NCLB §1116(e)
4) Compliance with district improvement requirements	NCLB §1116(c)
5) Compliance with schoolwide program requirements	NCLB §1114
6) Compliance with targeted assistance program requirements	NCLB §1115
7) Compliance with school ranking and serving requirements	NCLB §1113
8) Compliance with comparability requirement	NCLB §1120A
9) Compliance with maintenance of effort requirement	NCLB §1120A NCLB §9521
10) Compliance with equitable services to private school	NCLB §1120

students requirements students requirements	
11) Compliance with statutory set-aside requirements	NCLB §1113 NCLB §1116 NCLB §1118
12) Compliance with supplement, not supplant requirements	NCLB §1120A
13) Compliance with financial management systems requirements	EDGAR §80.20 EDGAR §80.36
14) Compliance with compensation for personnel services requirements	OMB Circular A-87, Attachment B, Section 8
15) Compliance with complaint procedures	Subpart F—Complaint Procedure (CFR, Title 34)
16) Compliance with equipment requirements	EDGAR §80.32 OMB Circular A-87
17) Compliance with Neglected Institutes	NCLB §1401
18) Compliance with Delinquent Institutes	NCLB §1401

During the on-site visit, IDOE spent time interviewing staff from M.S.D. Wayne Township at their central office. In addition, IDOE visited two schools where interviews were conducted with the principals and the Title I staff.

IDOE also reviewed M.S.D. Wayne Township's documents, including district policies and procedures, district notices to parents, district plans, school plans, personnel information, budget documents, contracts, and expenditure reports.

Based on the above information, our report follows.

Monitoring Topic 1: Compliance with NCLB Professional Qualification Requirements for Teachers and Paraprofessionals

Background

IDOE interviewed the Title I Program Administrator. In addition, IDOE reviewed letters to personnel, and notices to parents.

Statutory Requirement: Professional qualifications requirements are contained in Sections 1111 and 1119 of Title I. In addition, “highly qualified” is defined in Section 9101(23) of the general provisions section of NCLB.

Area of Strength

Professional qualification requirements: M.S.D. Wayne Township had an organized system of highly qualified documentation for both teachers and paraprofessionals. All personnel files included recent HOUSSE documentation and current license information for all certified teachers, based on a random sampling of teachers from two Title I schools. Non-certified staff files included Praxis assessment information, college transcripts, or evidence of an earned Associate’s degree.

Areas of Compliance

Professional qualification requirements: M.S.D. Wayne Township was able to provide evidence that all core academic teachers and instructional paraprofessionals meet the highly qualified requirements.

Paraprofessionals: M.S.D. Wayne Township provided evidence that instructional paraprofessionals work under the direct supervision of a high quality teacher, which means that the teacher plans the instructional support activities for the paraprofessional to carry out, evaluates the achievement of the students with whom the paraprofessional is working, and the paraprofessional works in close and frequent proximity to the teacher.

5% set-aside: M.S.D. Wayne Township did not reserve 5% of its allocation to support assisting teachers in reaching the professional qualification requirements. All teachers in Title I schools are highly qualified.

Parents’ Right to Know regarding request for teacher qualifications: M.S.D. Wayne Township was able to demonstrate that letters had been mailed to all parents of students attending Title I schools informing the parents of their right to know about the qualifications of the student’s classroom teacher and where relevant, paraprofessionals.

Principal Attestation: M.S.D. Wayne Township ensures that the principal of every school receiving Title I funds attests annually, in writing, as to whether the school is in compliance with the professional qualification requirements of NCLB. As part of the

annual application review, grant approval is not given unless each principal has signed a template attesting that their school is in compliance with the professional qualification requirements of NCLB.

Findings of Non-Compliance, Required Actions, and Recommendations for Monitoring Topic 1

None.

Monitoring Topic 2: Compliance with Parental Involvement Requirements

Background

IDOE interviewed the Title I Program Administrator and Title I Parent Coordinator. In addition, IDOE reviewed policies and documentation provided.

Statutory Requirement: Parental involvement requirements are contained throughout Title I, specifically in Sections 1111, 1116, and 1118. In addition, parental involvement is defined in Section 9101(23) of the general provisions section of NCLB.

Strengths

Building schools' and parents' capacity for strong parental involvement: M.S.D. Wayne Township showed evidence of building capacity with its Title I parents. IDOE would like to commend Linda Bohanon for her efforts in organizing and monitoring parental involvement in Title I schools. Garden City Elementary School invites guest speakers to model activities that parents can do in the home. The district contracts with Dr. Debbie Corpus from Butler University to model strategy-based reading methods for parents. Each school hosts literacy nights for families. Additionally, schools offer a library reading program, personalized education plans, and book programs which provide bilingual books to the English as a Second Language population.

Areas of Compliance

LEA Parent Involvement Policy: M.S.D. Wayne Township showed evidence of a district parental involvement policy which included all statutory components and was revised with Title I parent input.

Recommendation: IDOE recommends the M.S.D. Wayne Township strengthen component #5 by providing more information on how the district conducts an annual evaluation of the content and effectiveness of the parent involvement policy.

Annual meeting: M.S.D. Wayne Township showed evidence that all Title I schools held an annual meeting for Title I parents. Each school created fliers and invitations to send home to families, developed agendas for the meetings, and had parent sign-in sheets. Parents were surveyed for comments about activities and assistance they would like the schools to provide.

Parent Information Resource Center (PIRC): M.S.D. Wayne Township showed evidence of PIRC information shared with parents through newsletters. In addition, the district provided technical assistance to staff on the availability of PIRC resources.

Reviewing the effectiveness of school parental involvement activities: M.S.D. Wayne Township did demonstrate that the district reviews the effectiveness of school parental involvement activities. The district frequently evaluates events using surveys.

Findings of Non-Compliance, Required Actions, and Recommendations for Monitoring Topic 2

School Parental Involvement Policy and Compact: M.S.D. Wayne Township was able to show evidence that Stout Field Elementary School and Garden City Elementary School both have School Parental Involvement Policies, and that these policies contain School Parent Compacts. Both schools were able to provide evidence that the School Parental Involvement Policies and School Parent Compacts were developed in meaningful consultation with parents and were distributed to all Title I parents. However, Garden City Elementary's School Parental Involvement Policy and School Parent Compact did not contain all of the required statutory components. Additionally, Stout Field Elementary's School Parent Compact did not contain all of the required components. (See Attachment A)

Required Action: M.S.D. Wayne Township must ensure for the 2008-2009 school year that all Title I schools will have School Parental Involvement Policies containing the necessary components to meet statutory requirements under NCLB; including School Parent Compacts and its components. M.S.D. Wayne Township must advise IDOE of the expected date the updated policies and compacts for Garden City Elementary and Stout Field Elementary will be submitted.

Monitoring Topic 3: Compliance with school improvement, corrective action, restructuring, and alternative governance requirements; including proper implementation of public school choice and Supplemental Educational Services.

Background

IDOE interviewed the Title I Program Administrator and Title I Parent Coordinator to discuss school improvement issues.

Statutory Requirement: School improvement, corrective action, restructuring, and alternative governance requirements, including proper implementation of public school choice and supplemental educational services are contained in Section 1116. Depending on the number of years a school has not made adequate yearly progress (AYP), the school, district, and in certain cases state, must take certain actions.

Strength

Technical Assistance: M.S.D. Wayne Township is to be commended for the technical assistance provided to the schools in improvement regarding school improvement actions. The district provided assistance by holding Adequate Yearly Progress (AYP) informational meetings where the schools in improvement reviewed data. Coaching and additional assistance was provided as needed.

Areas of Compliance

Notification to Parents: M.S.D. Wayne Township was able to provide proof of mailing that written notice about the identification of a school in improvement was provided to the parents of each student enrolled in the school.

Implementation of School Improvement Plan: M.S.D. Wayne Township was able to demonstrate that the district monitors the implementation of school improvement plans for schools in improvement. The principals meet monthly with teachers to review professional development action plans. Additionally, the Professional Development Council conducts district walk-throughs to observe classroom practices.

Peer Review of School Improvement Plan: M.S.D. Wayne Township provided evidence of a peer review process for each school in improvement. The district solicits peer reviews from a high performing Title I school within the district and two school districts in Indiana.

School Improvement Plans: M.S.D. Wayne Township was able to demonstrate that Stout Field Elementary School and Garden City Elementary School developed school improvement plans that contain all of the statutory components. The plans were developed in meaningful consultation with parents, school staff, the district, and outside experts.

Recommendation: IDOE recommends that M.S.D. Wayne Township strengthen component #10 in both school's improvement plans by providing more information on how the district incorporates a teacher-mentoring program, in addition to any programs the district might offer for new teachers. The plans should be updated in consultation with parents, school staff, the district, and outside experts within 3 months of the public release of AYP data.

Findings of Non-Compliance, Required Actions, and Recommendations for Monitoring Topic 3

None.

Monitoring Topic 4: Compliance with District Improvement Requirements

Background

IDOE interviewed the Title I Program Administrator and Title I Parent Coordinator to discuss district improvement issues.

Statutory Requirement: District (local educational agency) improvement requirements are contained in §1116(c).

Areas of Compliance

Implementation of LEA Improvement Plan: M.S.D. Wayne Township provided evidence through contracts and interviews that the LEA Improvement Plan is being implemented. This plan guides their schools' professional development. The district is working with Dr. Susan Page and Pearson Learning to provide high quality, sustained, and intensive professional development.

Notification to Parents of LEA Improvement status: M.S.D. Wayne Township produced evidence that the LEA improvement letter was mailed to all families in the district.

Findings of Non-Compliance, Required Actions, and Recommendations for Monitoring Topic 4

None.

Monitoring Topic 5: Compliance with Schoolwide Program Requirements

Background

Statutory Requirement: The schoolwide program requirements are contained in Section 1114. In general, in an eligible schoolwide program school, federal, state, and local funds can be combined to upgrade the entire educational program (except Reading First funds). Unlike a targeted assistance school, where certain students must be identified for Title I services, in a schoolwide program school all students are considered to be eligible for services and the goal is to upgrade the entire educational program of the school. In addition, in a schoolwide school, schools are not required to maintain separate fiscal records, by program, that identify activities supported with particular funds as long as the school maintains records that demonstrate that the schoolwide program, as a whole, addresses the intent and purposes of each Federal program that was consolidated.

Areas of Compliance

M.S.D. Wayne Township does not have a schoolwide program.

Monitoring Topic 6: Compliance with Targeted Assistance Program Requirements

Background

IDOE interviewed the Title I Program Administrator, Title I Parent Coordinator, and building principals regarding targeted assistance school program requirements.

Statutory Requirement: The targeted assistance program requirements are contained in Section 1115. In a targeted assistance school, a school must maintain a list of eligible children who receive Title I services. Eligible children are children identified by the school as failing, or most at risk of failing, to meet the State's challenging student academic achievement standards.

Areas of Compliance

Targeted Assistance Program: M.S.D. Wayne Township provided evidence that Title I program resources are used to help participating students meet the state's academic achievement standards. Scientifically-based research strategies and focused learning lessons are used in Title I instruction. Title I staff has a fixed schedule of daily responsibilities.

Coordination and Integration of Staff: M.S.D. Wayne Township was able to demonstrate that the Title I staff coordinate with classroom teachers and is involved in the same professional development opportunities.

Student Selection: M.S.D. Wayne Township used multiple, educationally related criteria to identify the students who are the most academically at-risk to receive Title I services.

Proper Use of Funds: M.S.D. Wayne Township was able to demonstrate that funds were used only for those students served by Title I.

Findings of Non-Compliance, Required Actions, and Recommendations for Monitoring Topic 6

None.

Monitoring Topic 7: Compliance with School Ranking and Serving Requirements

Background

IDOE interviewed the Title I Program Administrator and Title I Parent Coordinator regarding the Title I ranking and serving requirements.

Statutory Requirement: The ranking and serving requirements are contained in Section 1113.

Areas of Compliance

Ranking and serving: M.S.D. Wayne Township demonstrated compliance with the statutory requirements for ranking and serving.

Findings of Non-Compliance, Required Actions, and Recommendations for Monitoring Topic 7

None.

Monitoring Topic 8: Compliance with Comparability Requirement

Background

IDOE interviewed the Title I Program Administrator and Title I Parent Coordinator regarding the Title I comparability requirement. The Comparability Report for 2007-2008 was reviewed.

Statutory Requirement: The comparability requirement is contained in Section 1120A.

Areas of Compliance

Comparability Report: M.S.D. Wayne Township met compliance with comparability requirements.

Findings of Non-Compliance, Required Actions, and Recommendations for Monitoring Topic 8

None.

Monitoring Topic 9: Compliance with Maintenance of Effort

Background

The Indiana Department of Education conducts yearly review of maintenance of effort for all Title I schools.

Statutory Requirement: The maintenance of effort requirements are contained in Section 1120A of Title I and Section 9521 of the general provisions section of NCLB.

Areas of Compliance

M.S.D. Wayne Township is in compliance with the maintenance of effort requirement.

Findings of Non-Compliance, Required Actions, and Recommendations for Monitoring Topic 9

None.

Monitoring Topic 10: Compliance with Equitable Services to Private School Students Requirements

Background

IDOE interviewed the Title I Program Administrator and Title I Parent Coordinator regarding equitable services to private school students. In addition, IDOE reviewed documentation related to this requirement.

Statutory Requirements: The equitable services requirements are contained in Section 1120.

Areas of Compliance

Consultation with Private School Officials: M.S.D. Wayne Township was able to provide written documentation of consultation between the district and private schools. Currently no private schools within M.S.D. Wayne Township accept Title I funds. M.S.D. Wayne Township has modified consultation procedures to gather student data in the Spring.

Findings of Non-Compliance, Required Actions, and Recommendations for Monitoring Topic 10

None.

Monitoring Topic 11: Compliance with Statutory Set-aside

Background

IDOE interviewed the Title I Program Administrator and Title I Parent Coordinator regarding the Title I statutory set-aside requirements.

Statutory Requirements: The statutory set-aside requirements are contained throughout Title I, including required reservations for neglected and delinquent children; homeless children, public school choice, supplemental educational services, school improvement, parental involvement and professional development (see Sections 1113, 1116, and 1118).

Areas of Compliance

1 Percent Parental Involvement: M.S.D. Wayne Township provided evidence that one percent of the district's allocation for parental involvement was reserved and expended.

10 Percent Professional Development for School Improvement: M.S.D. Wayne Township provided evidence that Stout Field Elementary School did set aside and expend ten percent for professional development.

Findings of Non-Compliance, Required Actions, and Recommendations for Monitoring Topic 11

None.

Monitoring Topic 12: Compliance with Supplement, not Supplant

Background

IDOE interviewed the Title I Program Administrator and Title I Parent Coordinator regarding the Title I supplement, not supplant requirements.

Statutory Requirement: Section 1120A requires Title I funds to supplement, not supplant non-Federal sources of funds.

Findings of Non-Compliance, Required Actions, and Recommendations for Monitoring Topic 12

Supplement, Not Supplant: M.S.D. Wayne Township funded an extended-day kindergarten program that did not meet the supplement, not supplant requirement. In 2006-2007, Title I funds were used to pay 100 percent of the Kindergarten CREW staff salaries for the full day. Additionally, Title I funds were used to purchase Brigance, an assessment tool.

Required Action: M.S.D. Wayne Township must do a chargeback to the Title I program for the Kindergarten CREW staff salaries and submit evidence to IDOE. The district must also ensure that, if used, Title I funds will only fund 50 percent of the extended-day kindergarten program. Additionally, the district is responsible for purchasing assessment tools to be used for student selection. Title I funds can only be used to purchase assessments for progress monitoring of Title I students. (See Attachment B)

Monitoring Topic 13: Compliance with Financial Management Systems Requirements

Background

IDOE interviewed the Title I Program Administrator and Title I Parent Coordinator regarding M.S.D. Wayne Township's financial management system.

Regulatory Requirement: Section 80.20 (b)-(i) of the Education Department General Administrative Regulations (EDGAR) details the threshold requirements financial management systems for non-State grantees (such as school districts). (See Attachment G)

Strength

Financial Management and Procurement: M.S.D. Wayne Township showed evidence of a strong process for ordering and procurement. The district provides spreadsheets to each school which identifies the dollar amount expended and the dollar amount available in each account. Each school receives a print out that shows the expenditures and keeps a running total of what has been spent.

Areas of Compliance

Purchase orders and invoices: M.S.D. Wayne Township provided evidence that the Title I Program Administrator must approve and sign all purchase orders and invoices for the program.

Audit Findings: M.S.D. Wayne Township did not have any audit findings from Indiana State Board of Accounts.

Contracted Services: M.S.D. Wayne Township showed that contracted services were the best value. The district uses a variety of vendors and conducts interviews to compare price, content, and quality.

Internal Control: M.S.D. Wayne Township demonstrated excellent internal control. Spreadsheets were provided by school to track receipts and expenditures.

Salaries and Benefits: M.S.D. Wayne Township provided evidence that personnel stated in the application for Stout Field Elementary School and Garden City Elementary School matched fiscal records for Title I expenditures.

Findings of Non-Compliance, Required Actions, and Recommendations for Monitoring Topic 13

None.

Monitoring Topic 14 Compliance with compensation for personnel services requirements

Background

IDOE interviewed the Title I Program Administrator and Title I Parent Coordinator as well as the principals of two schools in regard to the compensation for personnel services requirements.

Circular Requirement: OMB Circular A-87, Attachment B, Section 8 details the requirements for all compensation for personnel services supported with federal funds. This section includes the time distribution and semi-annual certification requirements.

Areas of Compliance:

Compensation for personnel services requirements (Semi-annual Certification):

M.S.D. Wayne Township was able to demonstrate sufficient compliance with the requirements of OMB Circular A-87, Attachment B, Section 8.

Findings of Non-Compliance, Required Actions, and Recommendations for Monitoring Topic 14

Time and Effort Logs: M.S.D. Wayne Township did not have evidence showing that the Title I Program Administrator maintained a Time and Effort log showing the funding sources used. (See Attachment C)

Required Action: M.S.D. Wayne Township must ensure that persons in a split-funded Title I position maintain an accurate Time and Effort log. IDOE has a PowerPoint presentation that addresses both semi-annual certification and time and effort logs which can be located at <http://www.doe.state.in.us/TitleI/docs/timeandeffort-logs.ppt>.

Monitoring Topic 15: Compliance with complaint procedures

Background

IDOE interviewed the Title I Program Administrator and Title I Parent Coordinator regarding the complaint process.

Areas of Compliance

Complaint Process: M.S.D. Wayne Township was able to demonstrate that the district has a complaint procedure. No complaints have been filed.

Findings of Non-Compliance, Required Actions, and Recommendations for Monitoring Topic 15

None.

Monitoring Topic 16: Compliance with equipment requirements – OMB A-87 and EDGAR 80.36

Background

IDOE interviewed the Program Administrator and two school principals regarding equipment acquired with Title I, Part A funds.

Regulatory Requirement: Section 80.36 of the Education Department General Administrative Regulations (EDGAR) details the threshold requirements for the use, management and disposition of equipment acquired with federal funds by non-State grantees (such as school districts).

Areas of Compliance

Disposition of Equipment: M.S.D. Wayne Township showed evidence of a disposition of equipment policy.

Inventory List: M.S.D. Wayne Township showed evidence of an equipment and technology inventory list that met all required components.

Equipment Labeling: M.S.D. Wayne Township showed evidence that equipment purchased with Title I funds was properly labeled and identified.

Findings of Non-Compliance, Required Actions, and Recommendations for Monitoring Topic 16

None.

**Monitoring Topic 17: Compliance with Neglected Institutions:
Funded through Title I, Part A**

Background

M.S.D. Wayne Township does not have any neglected institutions funded through Title I, Part A.

**Monitoring Topic 18: Compliance with Delinquent Institutions:
Funded through Title I, Part D, Subpart 2**

Background

M.S.D. Wayne Township does not have any delinquent institutions funded through Title I, Part D, Subpart 2.

Attachment A

SEC. 1118. PARENTAL INVOLVEMENT.

(a) LOCAL EDUCATIONAL AGENCY POLICY-

(1) **IN GENERAL-** A local educational agency may receive funds under this part only if such agency implements programs, activities, and procedures for the involvement of parents in programs assisted under this part consistent with this section. Such programs, activities, and procedures shall be planned and implemented with meaningful consultation with parents of participating children.

(2) **WRITTEN POLICY-** Each local educational agency that receives funds under this part shall develop jointly with, agree on with, and distribute to, parents of participating children a written parent involvement policy. The policy shall be incorporated into the local educational agency's plan developed under section 1112, establish the agency's expectations for parent involvement, and describe how the agency will —

(A) involve parents in the joint development of the plan under section 1112, and the process of school review and improvement under section 1116;

(B) provide the coordination, technical assistance, and other support necessary to assist participating schools in planning and implementing effective parent involvement activities to improve student academic achievement and school performance;

(C) build the schools' and parents' capacity for strong parental involvement as described in subsection (e);

(D) coordinate and integrate parental involvement strategies under this part with parental involvement strategies under other programs, such as the Head Start program, Reading First program, Early Reading First program, Even Start program, Parents as Teachers program, and Home Instruction Program for Preschool Youngsters, and State-run preschool programs;

(E) conduct, with the involvement of parents, an annual evaluation of the content and effectiveness of the parental involvement policy in improving the academic quality of the schools served under this part, including identifying barriers to greater participation by parents in activities authorized by this section (with particular attention to parents who are economically disadvantaged, are disabled, have limited English proficiency, have limited literacy, or are of any racial or ethnic minority background), and use the findings of such evaluation to design strategies for more effective parental involvement, and to revise, if necessary, the parental involvement policies described in this section; and

(F) involve parents in the activities of the schools served under this part.

(3) RESERVATION-

(A) **IN GENERAL-** Each local educational agency shall reserve not less than 1 percent of such agency's allocation under subpart 2 of this part to carry out this section, including promoting family literacy and parenting skills, except that this paragraph shall not apply if 1 percent of such agency's allocation under subpart 2 of this part for the fiscal year for which the determination is made is \$5,000 or less.

(B) **PARENTAL INPUT-** Parents of children receiving services under this part shall be involved in the decisions regarding how funds reserved under subparagraph (A) are allotted for parental involvement activities.

(C) **DISTRIBUTION OF FUNDS-** Not less than 95 percent of the funds reserved under subparagraph (A) shall be distributed to schools served under this part.

(b) SCHOOL PARENTAL INVOLVEMENT POLICY-

(1) IN GENERAL- Each school served under this part shall jointly develop with, and distribute to, parents of participating children a written parental involvement policy, agreed on by such parents, that shall describe the means for carrying out the requirements of subsections (c) through (f). Parents shall be notified of the policy in an understandable and uniform format and, to the extent practicable, provided in a language the parents can understand. Such policy shall be made available to the local community and updated periodically to meet the changing needs of parents and the school.

(2) SPECIAL RULE- If the school has a parental involvement policy that applies to all parents, such school may amend that policy, if necessary, to meet the requirements of this subsection.

(3) AMENDMENT- If the local educational agency involved has a school district-level parental involvement policy that applies to all parents, such agency may amend that policy, if necessary, to meet the requirements of this subsection.

(4) PARENTAL COMMENTS- If the plan under section 1112 is not satisfactory to the parents of participating children, the local educational agency shall submit any parent comments with such plan when such local educational agency submits the plan to the State.

(c) POLICY INVOLVEMENT- Each school served under this part shall —

(1) convene an annual meeting, at a convenient time, to which all parents of participating children shall be invited and encouraged to attend, to inform parents of their school's participation under this part and to explain the requirements of this part, and the right of the parents to be involved;

(2) offer a flexible number of meetings, such as meetings in the morning or evening, and may provide, with funds provided under this part, transportation, child care, or home visits, as such services relate to parental involvement;

(3) involve parents, in an organized, ongoing, and timely way, in the planning, review, and improvement of programs under this part, including the planning, review, and improvement of the school parental involvement policy and the joint development of the schoolwide program plan under section 1114(b)(2), except that if a school has in place a process for involving parents in the joint planning and design of the school's programs, the school may use that process, if such process includes an adequate representation of parents of participating children;

(4) provide parents of participating children —

(A) timely information about programs under this part;

(B) a description and explanation of the curriculum in use at the school, the forms of academic assessment used to measure student progress, and the proficiency levels students are expected to meet; and

(C) if requested by parents, opportunities for regular meetings to formulate suggestions and to participate, as appropriate, in decisions relating to the education of their children, and respond to any such suggestions as soon as practicably possible; and

(5) if the schoolwide program plan under section 1114(b)(2) is not satisfactory to the parents of participating children, submit any parent comments on the plan when the school makes the plan available to the local educational agency.

(d) SHARED RESPONSIBILITIES FOR HIGH STUDENT ACADEMIC ACHIEVEMENT- As a component of the school-level parental involvement policy developed under subsection (b), each school served under this part shall jointly develop with parents for all children served under this part a school-parent compact that outlines how parents, the entire school staff, and students will share the responsibility for improved student academic achievement and the means by which the school and parents will build and develop a partnership to help children achieve the State's high standards. Such compact shall —

(1) describe the school's responsibility to provide high-quality curriculum and instruction in a supportive and effective learning environment that enables the children served under this part to meet the State's student academic achievement standards, and the ways in which each parent will be responsible for supporting their children's learning, such as

monitoring attendance, homework completion, and television watching; volunteering in their child's classroom; and participating, as appropriate, in decisions relating to the education of their children and positive use of extracurricular time; and

(2) address the importance of communication between teachers and parents on an ongoing basis through, at a minimum —

(A) parent-teacher conferences in elementary schools, at least annually, during which the compact shall be discussed as the compact relates the individual child's achievement;

(B) frequent reports to parents on their children's progress; and

(C) reasonable access to staff, opportunities to volunteer and participate in their child's class, and observation of classroom activities.

(e) **BUILDING CAPACITY FOR INVOLVEMENT-** To ensure effective involvement of parents and to support a partnership among the school involved, parents, and the community to improve student academic achievement, each school and local educational agency assisted under this part —

(1) shall provide assistance to parents of children served by the school or local educational agency, as appropriate, in understanding such topics as the State's academic content standards and State student academic achievement standards, State and local academic assessments, the requirements of this part, and how to monitor a child's progress and work with educators to improve the achievement of their children;

(2) shall provide materials and training to help parents to work with their children to improve their children's achievement, such as literacy training and using technology, as appropriate, to foster parental involvement;

(3) shall educate teachers, pupil services personnel, principals, and other staff, with the assistance of parents, in the value and utility of contributions of parents, and in how to reach out to, communicate with, and work with parents as equal partners, implement and coordinate parent programs, and build ties between parents and the school;

(4) shall, to the extent feasible and appropriate, coordinate and integrate parent involvement programs and activities with Head Start, Reading First, Early Reading First, Even Start, the Home Instruction Programs for Preschool Youngsters, the Parents as Teachers Program, and public preschool and other programs, and conduct other activities, such as parent resource centers, that encourage and support parents in more fully participating in the education of their children;

(5) shall ensure that information related to school and parent programs, meetings, and other activities is sent to the parents of participating children in a format and, to the extent practicable, in a language the parents can understand;

(6) may involve parents in the development of training for teachers, principals, and other educators to improve the effectiveness of such training;

(7) may provide necessary literacy training from funds received under this part if the local educational agency has exhausted all other reasonably available sources of funding for such training;

(8) may pay reasonable and necessary expenses associated with local parental involvement activities, including transportation and child care costs, to enable parents to participate in school-related meetings and training sessions;

(9) may train parents to enhance the involvement of other parents;

(10) may arrange school meetings at a variety of times, or conduct in-home conferences between teachers or other educators, who work directly with participating children, with parents who are unable to attend such conferences at school, in order to maximize parental involvement and participation;

(11) may adopt and implement model approaches to improving parental involvement;

(12) may establish a districtwide parent advisory council to provide advice on all matters related to parental involvement in programs supported under this section;

(13) may develop appropriate roles for community-based organizations and businesses in parent involvement activities; and

(14) shall provide such other reasonable support for parental involvement activities under this section as parents may request.

(f) ACCESSIBILITY– In carrying out the parental involvement requirements of this part, local educational agencies and schools, to the extent practicable, shall provide full opportunities for the participation of parents with limited English proficiency, parents with disabilities, and parents of migratory children, including providing information and school reports required under section 1111 in a format and, to the extent practicable, in a language such parents understand.

(g) INFORMATION FROM PARENTAL INFORMATION AND RESOURCE CENTERS- In a State where a parental information and resource center is established to provide training, information, and support to parents and individuals who work with local parents, local educational agencies, and schools receiving assistance under this part, each local educational agency or school that receives assistance under this part and is located in the State shall assist parents and parental organizations by informing such parents and organizations of the existence and purpose of such centers.

(h) REVIEW- The State educational agency shall review the local educational agency's parental involvement policies and practices to determine if the policies and practices meet the requirements of this section.

School Parent Involvement Policy Checklist

GARDEN CITY ELEMENTARY SCHOOL

DIRECTIONS

Review the School Parental Involvement Policies to ensure that schools are in compliance with NCLB requirements.

School Parental Involvement Policy: Section 1118 (b) Each Title I school shall jointly develop with, and distribute to, parents of participating children a written parental involvement policy, agreed on by such parents, that shall describe the means for carrying out the following requirements listed below.

Requirements of School Parental Involvement Policy	Yes/No
1. Convened an annual meeting at a convenient time, to which all parents of participating children shall be invited and encouraged to attend, to inform parents of their school's participation in Title I, Part A, and to explain the requirement of such and the right of the parents to be involved	Yes
2. Offered a flexible number of meetings, such as meetings in the morning or evening, and may provide, with funds provided under this part, transportation, child care, or home visits, as such services relate to parental involvement	Yes
3. Involve parents, in an organized, ongoing, and timely way, in the planning, review, and improvement of programs under this part, including the planning, review, and improvement of the school parental involvement policy	Yes
4. Provide parents with: <ul style="list-style-type: none"> <input type="checkbox"/> Provide timely information about Title I programs <input type="checkbox"/> A description and explanation of the curriculum in use at the school, the forms of academic assessment used to measure student progress, and the proficiency levels students are expected to meet <input type="checkbox"/> If requested by parents, opportunities for regular meetings to formulate suggestions and to participate, as appropriate, in decisions relating to the education of their children, and respond to any such suggestions as soon as practicably possible 	Yes Yes Yes
5. (SWP schools) If the schoolwide program plan under section 1114(b)(2) is not satisfactory to the parents of participating children, submit any parent comments on the plan when the school makes the plan available to the LEA	N/A
6. Includes a School-Parent Compact (see checklist next pages)	Yes
1. Build the schools' and parents' capacity for strong parental involvement by: <ul style="list-style-type: none"> <input type="checkbox"/> Providing assistance to parents of children served as appropriate, in understanding such topics as the State's academic content standards and student academic achievement standards, and how to monitor a child's progress and work with educators to improve the achievement of their children <input type="checkbox"/> Providing materials and training to help parents work with their children to improve their children's achievement, such as literacy training and using technology, to foster parental involvement <input type="checkbox"/> Coordinating and integrating parent involvement programs and activities with Head Start, Early Reading First, Even Start, the Home Instruction Programs for Preschool Youngsters, the Parents as Teachers Program, etc., and conduct other activities, such as parent resource centers, that encourage and support parents in more fully participating in the education of their children <input type="checkbox"/> Educate educators with the assistance of parents, in the value and utility of contributions of parents, and in how to reach out to, communicate with, and work with parents as equal partners, implement and coordinate parent programs, and build ties between parents and the school <input type="checkbox"/> Ensure that information related to school and parent programs, meetings, and other activities, are sent to the parents of participating children in a format and, to the extent practicable, in a language the parents can understand. <input type="checkbox"/> Other reasonable support for parental involvement activities as parents may request 	Yes Yes No No No No

School – Parent Compact Checklist

GARDEN CITY ELEMENTARY SCHOOL

DIRECTIONS

Review the School Parental Involvement Policy prior to mailing to the IDOE to ensure that all requirements listed below are met:

School-Parent Compacts: As a component of the school-level parental involvement policy, each Title I school shall jointly develop with parents for all children served, a school-parent compact that outlines how parents, the entire school staff, and students will share the responsibility for improved student academic achievement and the means by which the school and parent will build and develop a partnership to help children achieve the State's high standards. Such compact shall:

School-Parent Compact shall include:	Yes/No
1. Describe the school's responsibility to provide high quality curriculum and instruction in a supportive and effective learning environment that enables the children served under this part to meet the state's student academic achievement standards, and the ways in which each parent will be responsible for supporting their children's learning, such as monitoring attendance, homework completion, and television watching; volunteering in their child's classroom; and participating, as appropriate, in decisions relating to the education of their children and positive use of extracurricular time	Yes
2. Address the importance of communication between teachers and parents on an ongoing basis through, at a minimum: <ul style="list-style-type: none"><input type="checkbox"/> Parent-teacher conferences in elementary school, at least annually, during which the compact shall be discussed as the compact relates to the individual child's achievement<input type="checkbox"/> Frequent reports to parents on their children's progress<input type="checkbox"/> Reasonable access to staff, opportunities to volunteer and participate in their child's class, and observation of classroom activities	No Yes No

School – Parent Compact Checklist

STOUT FIELD ELEMENTARY SCHOOL

DIRECTIONS

Review the School Parental Involvement Policy prior to mailing to the IDOE to ensure that all requirements listed below are met:

School-Parent Compacts: As a component of the school-level parental involvement policy, each Title I school shall jointly develop with parents for all children served, a school-parent compact that outlines how parents, the entire school staff, and students will share the responsibility for improved student academic achievement and the means by which the school and parent will build and develop a partnership to help children achieve the State's high standards. Such compact shall:

School-Parent Compact shall include:	Yes/No
3. Describe the school's responsibility to provide high quality curriculum and instruction in a supportive and effective learning environment that enables the children served under this part to meet the state's student academic achievement standards, and the ways in which each parent will be responsible for supporting their children's learning, such as monitoring attendance, homework completion, and television watching; volunteering in their child's classroom; and participating, as appropriate, in decisions relating to the education of their children and positive use of extracurricular time	Yes
4. Address the importance of communication between teachers and parents on an ongoing basis through, at a minimum: <ul style="list-style-type: none"><input type="checkbox"/> Parent-teacher conferences in elementary school, at least annually, during which the compact shall be discussed as the compact relates to the individual child's achievement<input type="checkbox"/> Frequent reports to parents on their children's progress<input type="checkbox"/> Reasonable access to staff, opportunities to volunteer and participate in their child's class, and observation of classroom activities	Yes Yes No

Attachment B

Title I, Part A Supplement, Not Supplant Requirement and Other Fiscal Requirements. Section 1120A.

“SEC. 1120A. FISCAL REQUIREMENTS.

“(a) MAINTENANCE OF EFFORT.—A local educational agency may receive funds under this part for any fiscal year only if the State educational agency involved finds that the local educational agency has maintained the agency's fiscal effort in accordance with section 9521.

“(b) FEDERAL FUNDS TO SUPPLEMENT, NOT SUPPLANT, NONFEDERAL FUNDS.—

“(1) IN GENERAL.—A State educational agency or local educational agency shall use Federal funds received under this part only to supplement the funds that would, in the absence of such Federal funds, be made available from non-Federal sources for the education of pupils participating in programs assisted under this part, and not to supplant such funds.

“(2) SPECIAL RULE.—No local educational agency shall be required to provide services under this part through a particular instructional method or in a particular instructional setting in order to demonstrate such agency's compliance with paragraph (1).

“(c) COMPARABILITY OF SERVICES.—

“(1) IN GENERAL.—

“(A) COMPARABLE SERVICES.—Except as provided in paragraphs (4) and (5), a local educational agency may receive funds under this part only if State and local funds will be used in schools served under this part to provide services that, taken as a whole, are at least comparable to services in schools that are not receiving funds under this part.

“(B) SUBSTANTIALLY COMPARABLE SERVICES.—If the local educational agency is serving all of such agency's schools under this part, such agency may receive funds under this part only if such agency will use State and local funds to provide services that, taken as a whole, are substantially comparable in each school.

“(C) BASIS.—A local educational agency may meet the requirements of subparagraphs (A) and (B) on a grade-span by grade-span basis or a school-by-school basis.

“(2) WRITTEN ASSURANCE.—

“(A) EQUIVALENCE.—A local educational agency shall be considered to have met the requirements of paragraph (1) if such agency has filed with the State educational agency a written assurance that such agency has established and implemented—

“(i) a local educational agency-wide salary schedule;

“(ii) a policy to ensure equivalence among schools

in teachers, administrators, and other staff; and

“(iii) a policy to ensure equivalence among schools in the provision of curriculum materials and instructional supplies.

“(B) DETERMINATIONS.—For the purpose of this subsection, in the determination of expenditures per pupil from State and local funds, or instructional salaries per pupil from State and local funds, staff salary differentials for years of employment shall not be included in such determinations.

“(C) EXCLUSIONS.—A local educational agency need not include unpredictable changes in student enrollment or personnel assignments that occur after the beginning of a school year in determining comparability of services under this subsection.

“(3) PROCEDURES AND RECORDS.—Each local educational agency assisted under this part shall—

“(A) develop procedures for compliance with this subsection; and

“(B) maintain records that are updated biennially documenting such agency’s compliance with this subsection.

“(4) INAPPLICABILITY.—This subsection shall not apply to a local educational agency that does not have more than one building for each grade span.

“(5) COMPLIANCE.—For the purpose of determining compliance with paragraph (1), a local educational agency may exclude State and local funds expended for—

“(A) language instruction educational programs; and

“(B) the excess costs of providing services to children with disabilities as determined by the local educational agency.

“(d) EXCLUSION OF FUNDS.—For the purpose of complying with subsections (b) and (c), a State educational agency or local educational agency may exclude supplemental State or local funds expended in any school attendance area or school for programs that meet the intent and purposes of this part.

Attachment C

OMB Circular A-87, Attachment B, Section 8

8. *Compensation for personal services.*

- a. General. Compensation for personnel services includes all remuneration, paid currently or accrued, for services rendered during the period of performance under Federal awards, including but not necessarily limited to wages, salaries, and fringe benefits. The costs of such compensation are allowable to the extent that they satisfy the specific requirements of this Circular, and that the total compensation for individual employees:

- (1) Is reasonable for the services rendered and conforms to the established policy of the governmental unit consistently applied to both Federal and non Federal activities;

- (2) Follows an appointment made in accordance with a governmental unit's laws and rules and meets merit system or other requirements required by Federal law, where applicable; and

- (3) Is determined and supported as provided in subsection h.

- b. Reasonableness. Compensation for employees engaged in work on Federal awards will be considered reasonable to the extent that it is consistent with that paid for similar work in other activities of the governmental unit. In cases where the kinds of employees required for Federal awards are not found in the other activities of the governmental unit, compensation will be considered reasonable to the extent that it is comparable to that paid for similar work in the labor market in which the employing government competes for the kind of employees involved. Compensation surveys providing data representative of the labor market involved will be an acceptable basis for evaluating reasonableness.
- c. Unallowable costs. Costs which are unallowable under other sections of these principles shall not be allowable under this section solely on the basis that they constitute personnel compensation.
- d. Fringe benefits.

- (1) Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave, employee insurance, pensions, and unemployment benefit plans. Except as provided elsewhere in these principles, the costs of fringe benefits are allowable to the extent that the benefits are reasonable and are required by law, governmental unit employee agreement, or an established policy of the governmental unit.

- (2) The cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, sick leave, holidays, court leave, military leave, and other similar benefits, are allowable if: (a) they are provided under established written leave policies; (b) the costs are equitably allocated to all related activities, including Federal awards; and, (c) the accounting basis (cash or accrual) selected for costing each type of leave is consistently followed by the governmental unit.

- (3) When a governmental unit uses the cash basis of accounting, the cost of leave is recognized in the period that the leave is taken and paid for. Payments for unused leave when an employee

retires or terminates employment are allowable in the year of payment provided they are allocated as a general administrative expense to all activities of the governmental unit or component.

(4) The accrual basis may be only used for those types of leave for which a liability as defined by Generally Accepted Accounting Principles (GAAP) exists when the leave is earned. When a governmental unit uses the accrual basis of accounting, in accordance with GAAP, allowable leave costs are the lesser of the amount accrued or funded.

(5) The cost of fringe benefits in the form of employer contributions or expenses for social security; employee life, health, unemployment, and worker's compensation insurance (except as indicated in section 22, Insurance and indemnification); pension plan costs (see subsection e.); and other similar benefits are allowable, provided such benefits are granted under established written policies. Such benefits, whether treated as indirect costs or as direct costs, shall be allocated to Federal awards and all other activities in a manner consistent with the pattern of benefits attributable to the individuals or group(s) of employees whose salaries and wages are chargeable to such Federal awards and other activities.

- e. Pension plan costs. Pension plan costs may be computed using a pay as you go method or an acceptable actuarial cost method in accordance with established written policies of the governmental unit.

(1) For pension plans financed on a pay as you go method, allowable costs will be limited to those representing actual payments to retirees or their beneficiaries.

(2) Pension costs calculated using an actuarial cost based method recognized by GAAP are allowable for a given fiscal year if they are funded for that year within six months after the end of that year. Costs funded after the six month period (or a later period agreed to by the cognizant agency) are allowable in the year funded. The cognizant agency may agree to an extension of the six month period if an appropriate adjustment is made to compensate for the timing of the charges to the Federal Government and related Federal reimbursement and the governmental unit's contribution to the pension fund. Adjustments may be made by cash refund or other equitable procedures to compensate the Federal Government for the time value of Federal reimbursements in excess of contributions to the pension fund.

(3) Amounts funded by the governmental unit in excess of the actuarially determined amount for a fiscal year may be used as the governmental unit's contribution in future periods.

(4) When a governmental unit converts to an acceptable actuarial cost method, as defined by GAAP, and funds pension costs in accordance with this method, the unfunded liability at the time of conversion shall be allowable if amortized over a period of years in accordance with GAAP.

(5) The Federal Government shall receive an equitable share of any previously allowed pension costs (including earnings thereon) which revert or inure to the governmental unit in the form of a refund, withdrawal, or other credit.

- f. Post retirement health benefits. Post retirement health benefits (PRHB) refers to costs of health insurance or health services not included in a pension plan covered by subsection e. for retirees and their spouses, dependents, and survivors. PRHB costs may be computed using a pay as you go method or an acceptable actuarial cost method in accordance with established written policies of the governmental unit.

(1) For PRHB financed on a pay as you go method, allowable costs will be limited to those representing actual payments to retirees or their beneficiaries.

(2) PRHB costs calculated using an actuarial cost method recognized by GAAP are allowable if

they are funded for that year within six months after the end of that year. Costs funded after the six month period (or a later period agreed to by the cognizant agency) are allowable in the year funded. The cognizant agency may agree to an extension of the six month period if an appropriate adjustment is made to compensate for the timing of the charges to the Federal Government and related Federal reimbursements and the governmental unit's contributions to the PRHB fund. Adjustments may be made by cash refund, reduction in current year's PRHB costs, or other equitable procedures to compensate the Federal Government for the time value of Federal reimbursements in excess of contributions to the PRHB fund.

(3) Amounts funded in excess of the actuarially determined amount for a fiscal year may be used as the government's contribution in a future period.

(4) When a governmental unit converts to an acceptable actuarial cost method and funds PRHB costs in accordance with this method, the initial unfunded liability attributable to prior years shall be allowable if amortized over a period of years in accordance with GAAP, or, if no such GAAP period exists, over a period negotiated with the cognizant agency.

(5) To be allowable in the current year, the PRHB costs must be paid either to:

(a) An insurer or other benefit provider as current year costs or premiums, or

(b) An insurer or trustee to maintain a trust fund or reserve for the sole purpose of providing post retirement benefits to retirees and other beneficiaries.

(6) The Federal Government shall receive an equitable share of any amounts of previously allowed post retirement benefit costs (including earnings thereon) which revert or inure to the governmental unit in the form of a refund, withdrawal, or other credit.

g. Severance pay.

(1) Payments in addition to regular salaries and wages made to workers whose employment is being terminated are allowable to the extent that, in each case, they are required by (a) law, (b) employer employee agreement, or (c) established written policy.

(2) Severance payments (but not accruals) associated with normal turnover are allowable. Such payments shall be allocated to all activities of the governmental unit as an indirect cost.

(3) Abnormal or mass severance pay will be considered on a case by case basis and is allowable only if approved by the cognizant Federal agency.

h. Support of salaries and wages. These standards regarding time distribution are in addition to the standards for payroll documentation.

(1) Charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit.

(2) No further documentation is required for the salaries and wages of employees who work in a single indirect cost activity.

(3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

- (a) More than one Federal award,
- (b) A Federal award and a non Federal award,
- (c) An indirect cost activity and a direct cost activity,
- (d) Two or more indirect activities which are allocated using different allocation bases, or
- (e) An unallowable activity and a direct or indirect cost activity.

(5) Personnel activity reports or equivalent documentation must meet the following standards:

- (a) They must reflect an after the fact distribution of the actual activity of each employee,
- (b) They must account for the total activity for which each employee is compensated,
- (c) They must be prepared at least monthly and must coincide with one or more pay periods, and
- (d) They must be signed by the employee.
- (e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim accounting purposes, provided that:
 - (i) The governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed;
 - (ii) At least quarterly, comparisons of actual costs to budgeted distributions based on the monthly activity reports are made. Costs charged to Federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and
 - (iii) The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances.

(6) Substitute systems for allocating salaries and wages to Federal awards may be used in place of activity reports. These systems are subject to approval if required by the cognizant agency. Such systems may include, but are not limited to, random moment sampling, case counts, or other quantifiable measures of employee effort.

(a) Substitute systems which use sampling methods (primarily for Temporary Assistance to Needy Families (TANF), Medicaid, and other public assistance programs) must meet acceptable statistical sampling standards including:

(i) The sampling universe must include all of the employees whose salaries and wages are to be allocated based on sample results except as provided in subsection (c);

(ii) The entire time period involved must be covered by the sample; and

(iii) The results must be statistically valid and applied to the period being sampled.

(b) Allocating charges for the sampled employees' supervisors, clerical and support staffs, based on the results of the sampled employees, will be acceptable.

(c) Less than full compliance with the statistical sampling standards noted in subsection (a) may be accepted by the cognizant agency if it concludes that the amounts to be allocated to Federal awards will be minimal, or if it concludes that the system proposed by the governmental unit will result in lower costs to Federal awards than a system which complies with the standards.

(7) Salaries and wages of employees used in meeting cost sharing or matching requirements of Federal awards must be supported in the same manner as those claimed as allowable costs under Federal awards.

Donated services.

(1) Donated or volunteer services may be furnished to a governmental unit by professional and technical personnel, consultants, and other skilled and unskilled labor. The value of these services is not reimbursable either as a direct or indirect cost. However, the value of donated services may be used to meet cost sharing or matching requirements in accordance with the provisions of the Common Rule.

(2) The value of donated services utilized in the performance of a direct cost activity shall, when material in amount, be considered in the determination of the governmental unit's indirect costs or rate(s) and, accordingly, shall be allocated a proportionate share of applicable indirect costs.

(3) To the extent feasible, donated services will be supported by the same methods used by the governmental unit to support the allocability of regular personnel services.